

Proposal Name: Tax Application Platform Upgrade

Proposal Priority #:

Department: EDD

Revision Date: 1/2/2009

Concept Statement

Description

Brief description of the proposed project:

Convert existing Benefit Overpayments Collection System incrementally created in Visual Basic 6.0 using Access to an integrated .NET program

Need Statement

High Level Capabilities Needed:

This program substantially supports the collection of benefit overpayments made to recipients in the Unemployment Insurance (UI) and Disability Insurance (DI) programs. The existing program was incrementally developed over an extended period of time, using a programming language no longer supported by the vendor. The existing program has a high degree of risk of failure.

What is Driving This Need?

BOCS program activities recapture a significant amount of revenue. Prior year revenues exceeded \$125 million of which \$20 million was general fund. The existing program has a high degree of risk of failure and there is no effective work around.

Risk to the Organization if This Work is Not Done:

The BOCSapp literally is a one-stop for all of BOCS' needs. The application provides a functionality that consolidates sources needed for staff to do all their work. The application also provides workload management, production tracking, forms production, timesheets, and MIS reporting. The application recycles data to create required legal forms that are sent to courts, recorders, and sheriff offices throughout the state. Data elements are also sent via Outlook to Fiscal Programs Division (FPD) and the courts. In SFY 2007-08, BOCS

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throughout the state. Data elements are also sent via Outlook to Fiscal Programs Division (FPD) and the courts. In SFY 2007-08, BOCS collected more than \$134 million and worked over 500,000 benefit overpayment collection cases.

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Benefit Statement

Intangible Benefits

Process Improvements (describe the nature of the process improvement):

Modernization of the BOCS program will enable substantially improved data handling capabilities and will enable a more structured and documented program. The increased revenue will benefit the UI, DI and General Fund balances and the increased collection of UI and DI fraud overpayments will be reimbursed to the employers' accounts. If this project is not approved, the unsupported BOCSapp has a high risk of a system failure bringing down the entire production of BOCS. BOCS is unable to revert back to the manual process if the application goes down. EDD would not be able to collect UI and DI benefit overpayments from the claimants which will result in a loss of revenue for the Department.

Other Intangible Benefits:

Eliminate a program written in a non-supported language facilitating improved support and employee recruiting and training capabilities.

Tangible Benefits

Revenue Generation (describe how revenue will be generated):

Failure of the existing program would result in a loss of an estimated \$134 million in benefit overpayments and general fund revenues, per SFY.

Cost Savings (describe how cost will be reduced):

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Cost Avoidance (describe the cost and how avoided):

Risk Avoidance (describe the risk and how avoided):

Failure of the existing BOCS programs will result in significant costs to both the Unemployment Insurance and Disability Insurance programs as well as State General Funds.

Improved Services:

Consistency

"No" Responses		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

Impact to Other Agencies

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Nature of Impact to Other Agencies

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Agency:
<i>Describe the nature of the impact:</i>

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Solution Alternatives

Alternative 1:

Rewrite BOCS applications in .NET and operate in a standard environment.

Technical Considerations for Alternative 1:

Provides consistency with enterprise architecture policy, system development practices, and information security policies.

ROM Cost: \$5,500,000 to \$6,500,000

Note: high end of range must not exceed 200% of low end of range

Alternative 2:

Keep current system without proper support and in an unstable environment with a high risk of failure.

Technical Considerations for Alternative 2:

- No known approved or to-be-written FSR related to BOCS. Again, application software is not supported by vendor.

ROM Cost: to

Note: high end of range must not exceed 200% of low end of range

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Alternative 3:

Technical Considerations for Alternative 3:

ROM Cost:

to

Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost	Risk
	6,500,000.00	
Alternative 2	ROM Cost	Risk
	-	
Alternative 3	ROM Cost	Risk
	-	

Conclusions:

1	
2	
3	
4	

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Recommendation:

Alternative Number 1 is the recommended alternative.

Project Approach (if known)

System Complexity: High		System Business Hours: (e.g., 24x7, 9am-5pm) :		
Architecture	<input checked="" type="checkbox"/> Mainframe	<input checked="" type="checkbox"/> Client Server	<input checked="" type="checkbox"/> Web Based	Num. of New Databases:
Technology	<input checked="" type="checkbox"/> New	<input checked="" type="checkbox"/> New to Staff	<input checked="" type="checkbox"/> In-House Experience	Interfaces:
Implementation	<input checked="" type="checkbox"/> Central Site	<input type="checkbox"/> Phased Roll-out		Num. of Sites:
M & O Support	<input type="checkbox"/> Contractor	<input type="checkbox"/> Data Center	<input type="checkbox"/> Project	<input type="checkbox"/> Returned to Sponsor
Procurement Approach: (consult with OSI Procurement Center)				Number of Procurements:
Open Procurement?		Delegated Procurement?		
Scope of Contract				
Anticipated Length of Contract:		Years /	3 yrs	extensions for years